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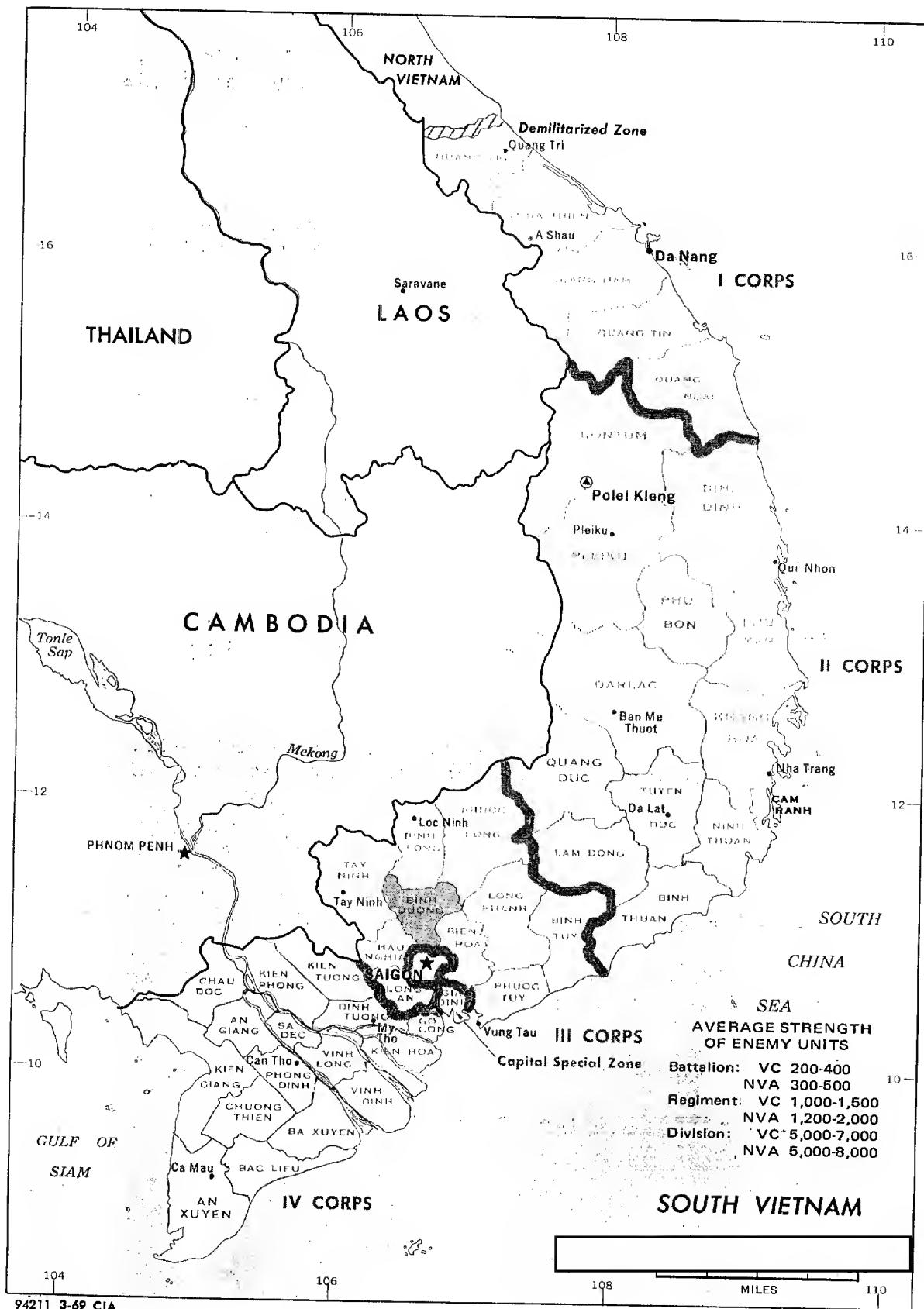
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¶ South Vietnam: Communist forces in South Vietnam initiated relatively few actions on 19 March, but there are persistent signs that major attacks can be expected--at least in III Corps--as early as 22 March.

Enemy units in all corps areas conducted scattered shellings. The actions included rocket firings at a training center outside of Saigon and at US installations at Da Nang. Casualties and damage in each case were reported to be generally light.

Ground activity was confined to a clash between a US Marine battalion and an unknown enemy force southwest of Da Nang, a firefight involving company-sized units in the area of the Polei Kleng Special Forces camp in II Corps, and a series of engagements precipitated by the US multibattalion sweep against elements of the North Vietnamese 1st and 7th divisions in Binh Duong Province.

The evidence suggesting a new wave of action by enemy main force units in III Corps beginning on 22 March comes, in part, from four fairly high-ranking prisoners taken in a firefight this week. Their statements appear to be consistent with the current deployment of enemy divisions. [redacted]

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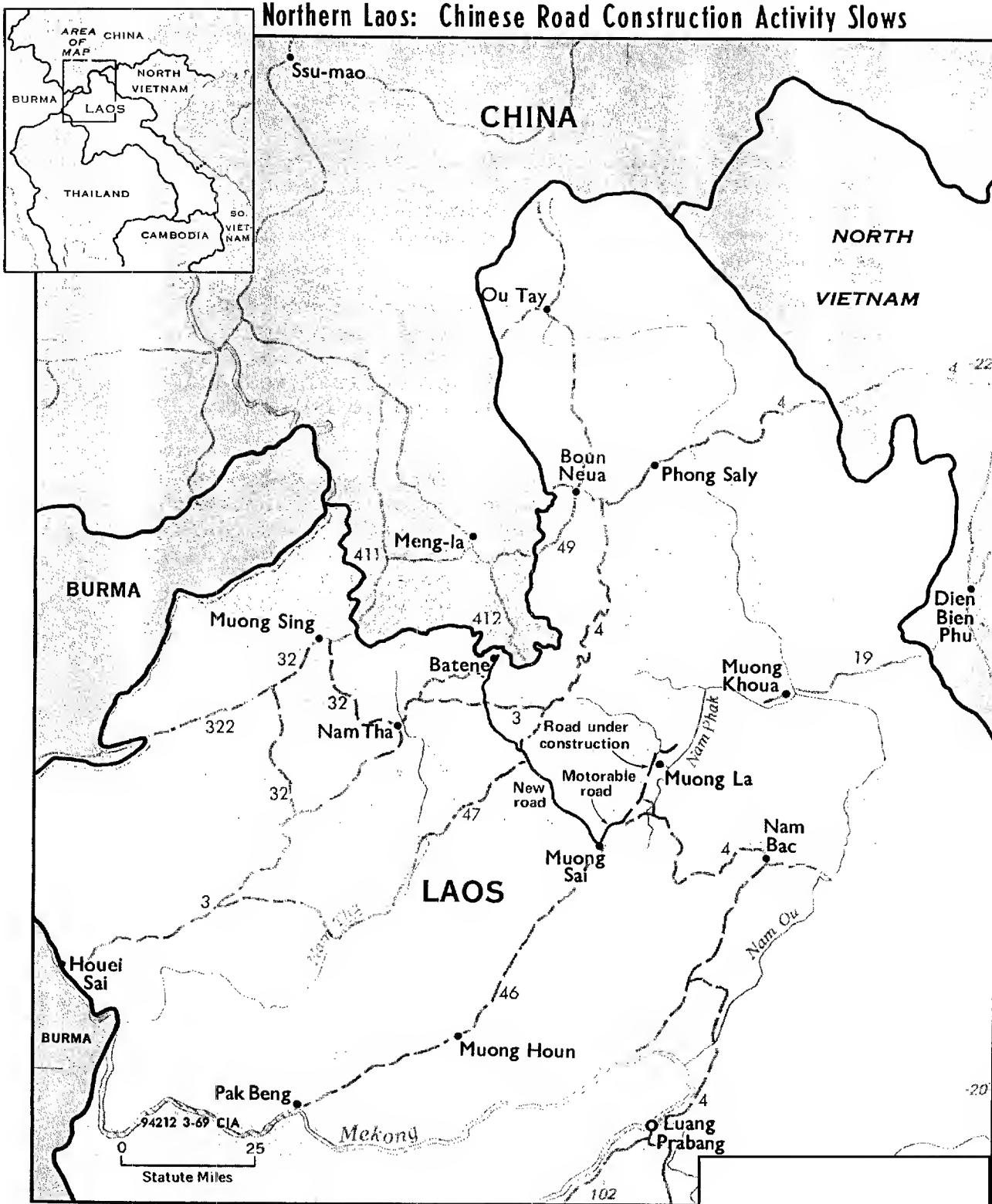
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Northern Laos: Chinese Road Construction Activity Slows



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Communist-controlled area Contested territory

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Laos: The pace of Chinese Communist road construction in northern Laos has slowed during the past month.

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Photography [redacted] shows that since January the Chinese have completed only 16 miles of road northeast of Muong Sai; most of this had been started during January. The pace of construction may have been slowed by the need to bridge the Nam Phak River just north of Muong La. Early February photography showed about three miles of preliminary construction work north of Muong La, indicating that the Chinese intend to build a road to join eventually with route 19 at Muong Khoua.

The Chinese construction effort is being supported from Yunnan Province. Between January and mid-March an average of about 22 trucks a day reportedly entered Laos from China carrying food and materials. [redacted]

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C Peru-US: The Peruvian Navy has released the two US fishing boats seized yesterday, but only after they paid a total of nearly \$26,000 in fines and license fees.

Industry sources say the two ships, one of which was damaged by gunfire in a similar incident a month ago, had been fishing some 23 miles off the Peruvian coast. Peru first claimed that the boats were within seven miles of the coast but the foreign minister later retracted this, giving no further explanation for the seizure.

He told the US ambassador that patrol craft were now under confidential orders to ignore boats beyond a 12-mile limit while delicate negotiations were in process with the US over the expropriation of the International Petroleum Company.

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Belgium - Congo (Kinshasa): Brussels' currently good relations with Kinshasa are tempered by the skepticism of some officials in both countries that long-term problems can be solved.

The improvement in relations, which has been going on for the past year, was capped in recent months by an exchange of visits between high-level officials. Congolese Foreign Minister Bomboko was warmly received in Brussels in December, and former Belgian Prime Minister Vanden Boeynants, Prince Albert, and Defense Minister Segers have each led delegations to the Congo since January. The first two groups included businessmen looking for new investments; Minister Segers discussed military assistance, including plans for a new military academy near the Congolese capital.

Less than two years ago, Brussels was under strong domestic pressure to scrap its aid programs, after the Congolese had committed excesses against Belgians and other Europeans during the mercenary revolt in 1967.

Since then, however, both governments have come to recognize that they have a mutual interest in good relations. Brussels has agreed to maintain its public and private programs in the Congo, although on a basis designed to minimize the danger from future excesses. The number of Belgians living in the former colony had dropped to about 20,000 at one point, but it has risen again to about 38,000, which is 90 percent of the total before the revolt in 1967. Official Belgian aid to the Congo this year is running about 10 percent over 1968.

Despite official expressions of optimism over the future, there are voices of caution, particularly in Belgium. A high Foreign Ministry official commented recently that many basic problems remain

to be solved, including lack of guarantees for investment and for the physical safety of Belgians living in the Congo. He is not optimistic over the long-run stability of President Mobutu's government, and suspects Mobutu could again use Belgians as scapegoats for domestic difficulties. The Congolese, for their part, suspect Belgian businessmen are more interested in quick profits than beneficial long-term investments.

[redacted]

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Nepal-India: Nepal's resentment of its dependence on India continues to irritate relations, but no fundamental changes in present arrangements are expected.

Largely as an assertion of its sovereignty, the Nepalese Government recently demanded that Indian personnel be withdrawn "immediately" from the 17 jointly manned checkposts astride the 670-mile Nepalese-Tibetan border. The radio net connecting the posts is operated by Indians who communicate directly with a central station in the Indian Embassy in Kathmandu, an arrangement particularly annoying to the Nepalese.

Although the posts provide only limited border surveillance, they do supply New Delhi with its primary source of information on Chinese, Tibetan, and Nepalese activities in the strategic, isolated border regions. New Delhi for more than a decade has resisted periodic Nepalese requests to change the checkpost arrangement and is unlikely to accede to the current Nepalese pressure. Some compromise may be worked out giving the Nepalese a larger role in the operation, however. The Chinese Communists have repeatedly urged Nepal to insist that the Indians be withdrawn. Peking has cautioned that the presence of Indians in Nepal could jeopardize Nepalese neutrality in event of a Sino-Indian conflict.

Nepalese discontent over recent trade agreements with India and a dispute with New Delhi over a small piece of land on the India-Nepal border have recently kindled latent anti-Indian sentiment in the kingdom. The government's sluggish economic and developmental performance has been a major issue in the current session of the national legislature. It appears that the ultimatum on the border post was timed hopefully to gain some political advantage for Nepal's relatively ineffectual prime minister. [redacted]

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NOTE

France-USSR: France reportedly has abandoned plans to propose that in 1972 the Soviets launch a French payload to Venus. At a meeting next month in Moscow between space experts from the two countries, the French apparently intend to propose instead that three French experiments be included in a small Soviet satellite to be orbited around the Earth in 1972. The planned Venus probe is the second Franco-Soviet scientific project this year to feel the French economic pinch.

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